



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**  
Deval L. Patrick, Governor ♦ Aaron Gornstein, Undersecretary

**Community Investment Tax Credit  
Program**

**NOTICE OF FUNDING AVAILABILITY**

Issued:  
Response due:

November 8, 2013  
January 10, 2014

# **NOTICE OF FUNDING AVAILABILITY**

## **Community Investment Tax Credit Program**

### **I. INTRODUCTION**

The Community Investment Tax Credit Program (CITC Program) was created by Chapter 238 of the Acts of 2012. The Department of Housing and Community Development (DHCD) is the administering agency for this Program and is responsible for managing the process by which the tax credits are allocated. The Department regulations for the program are found at 760 CMR 68.00.

The CITC Program is designed to enable local residents and stakeholders to work with and through community development corporations (CDCs) to partner with nonprofit, public, and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural, and suburban communities across the Commonwealth. CDCs accomplish this through adoption of Community Investment Plans (CIP) to undertake community development programs, policies and activities.

Under the program, CDCs and Community Support Organizations (CSOs) may apply to DHCD for selection as a Community Partner and receipt of an allocation of tax credits. Allocation awards are based on DHCD's determination of the quality of the CIP adopted by a CDC and the history and track record of the applicant organization. The Department has \$3,000,000 available for credit allocations in calendar year 2014. Credits will be allocated to Community Partners and they, in turn, will provide them to donors in exchange for donations to the Community Partner.

The Department will select Community Partners and award initial allocations of credit in early 2014. The Department may commit allocations of credit to Community Partners for two subsequent years in addition to the application year.

The CITC will be available in calendar years 2014 through 2019.

### **II. ELIGIBLE APPLICANTS**

CDCs certified by DHCD under the provisions of MGL Ch.40H and CSOs are eligible applicants. CDCs that are not currently certified must submit a complete package of materials and request DHCD certification no later than December 10, 2013 to be eligible for selection under this NOFA. CSOs are nonprofit organizations that are not CDCs but have a focus on, and track record of providing capacity building services to CDCs.

### **III. USE OF CREDIT ALLOCATIONS**

Tax credit allocations awarded to CDCs selected as Community Partners are available for use by the CDC to facilitate any authorized activity of the CDC.

Tax credit allocations awarded to CSOs selected as Community Partners are available for use by the CSO to facilitate any authorized activity of the CSO. DHCD may require a selected CSO to assist DHCD-identified CDCs most in need of capacity building assistance.

#### **IV. CREDIT ALLOCATION AMOUNT**

Eligible CDCs and CSOs may apply to DHCD for selection as a Community Partner and receipt of an allocation between \$50,000 and \$150,000 in tax credits. The amounts awarded to individual Community Partners may vary. DHCD reserves the right to reduce the amount of the award from the requested amount. DHCD also reserves the right to reject any applications submitted.

DHCD is required to ensure that minimum assistance levels are provided to Community Partners serving Gateway municipalities and rural areas. Unless DHCD finds that there are not a sufficient number of applications from those areas, at least 30% of the selected Community Partners must be located in, or serve Gateway municipalities and 20% must be located in, or serve rural areas. In addition, no more than two CSOs may be selected as Community Partners and awarded credits.

A Gateway municipality is defined at M.G.L. Ch. 23A, Sec 3A, as one with a population greater than 35,000 and less than 250,000, a median household income below the Commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the Commonwealth's average. A list of Gateway municipalities is contained in Exhibit 4.

A rural area is a municipality with a population of less than 7,500 or a group of municipalities, 75% or more of which have populations of less than 7,500.

#### **V. APPLICATION PROCESS**

Applicant organizations must submit materials to DHCD comprised of responses to each of the following Sections.

##### **A. Submission Content**

##### **Section I: Cover Sheet**

Applicants must submit a completed cover sheet (Exhibit 1) in hard copy with an original signature of the CEO of the applicant organization. Applicants may request an allocation from multiple years.

##### **Section II. Community Investment Plan**

CDC applicants must submit a complete Community Investment Plan. The CIP format must conform to the outline included in this NOFA (Exhibit 2).

A CIP is an organizational business plan that details a CDC's goals, outcomes, strategies, programs and activities for a 3 to 5 year period and its financial plans for supporting its strategy. The Plan must be designed to engage local residents and businesses to work together to undertake community development programs, projects and activities which develop and improve

urban, rural or suburban communities in sustainable ways that create and expand economic opportunities for low and moderate income households.

The Plan serves to summarize, in nine elements, the overall community development approach taken in the CDC service area and benefitting the organization's constituencies. The Plan can reference various documents approved by the organization's Board, but *it is important that the CIP reflect a comprehensive, coherent approach to the CDC's community development priorities.*

The CIP may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by the CDC. Such plans may include but are not limited to, strategic plans (economic development, housing, or neighborhood revitalization), market studies, needs assessments, and community organizing, leadership development or empowerment strategies.

Community development is defined as physical development, including affordable housing and commercial real estate development and preservation; community planning pertaining to physical and economic development; economic development, including business assistance and development; and asset development to build the economic capacity, mobility, and stability of low-income persons (e.g., homeownership assistance, financial education, foreclosure prevention, Individual Development Accounts (IDAs) and savings programs, and job training and creation programs).

CITC applications must document that a CIP was discussed and adopted by the Board of Directors of the applicant CDC. Adoption of the CIP may occur after submission of an application but must occur within 30 days of application. Compliance with this requirement must be documented by copies of meeting agendas, attendance lists and minutes. Minutes must reflect that the CIP was presented and discussed by the Board.

An applicant may submit a CIP and supporting adoption documentation that was previously developed within the past three years, however, all nine elements must be addressed in the prescribed format included in this NOFA. Changes in elements of the Plan may be made at any time but must be presented to, and adopted by, the Board of Directors, as above, prior to being included in a subsequent application for credits.

CSO applicants must submit a completed Capacity Building Proposal. The Proposal format must conform to the outline included in this NOFA (Exhibit 3).

The Proposal serves to summarize, in four elements, the ability of the CSO to provide effective capacity-building services to CDCs.

### **Section III: Updated Board of Directors list**

Community Partner applicants must submit a current list of the members of the organization's Board of Directors.

## **Section IV: Gateway Municipality or Rural Set-Aside**

CDC applicants must indicate on the Cover Page if they wish to be considered as a participant in one of these set-aside categories under the definitions provided. Rural Area applicants must attach evidence of their eligibility by including the latest available American Community Survey (ACS) population figures and the required eligibility calculation.

## **Section V: Other Materials**

Applicants may submit additional materials – press coverage, maps, charts, budgets and exhibits in support of an application as attachments. No more than ten (10) additional pages of attachments may be submitted.

## **B. Scoring Criteria**

### **1. CDC Applicants**

DHCD will review the submitted CIP and its individual elements to determine the overall quality of the Plan including completeness, whether the combined set of elements provides a coherent Plan document, and the history and track record of the CDC in accomplishing its goals and performing activities.

Maximum points that may be awarded for each element of the plan are listed below. See Exhibit 2 for additional detail regarding content of the Elements.

Does Not Meet	=	no points
Minimally Meets	=	35% of points (rounded to nearest ½ point)
Meets	=	65% of points (rounded to nearest ½ point)
Strong Response	=	100% of points

#### Section 1

<b>Community or Constituency(ies) to be served by the organization</b>	7 points
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#### Section 2

<b>Involvement of community residents and stakeholders</b>	20 points
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#### Section 3

<b>Plan goals</b>	7 points
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#### Section 4

<b>Activities to be undertaken</b>	7 points
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#### Section 5

<b>How success will be measured and/or evaluated</b>	10 points
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#### Section 6

<b>Collaborative efforts to support implementation</b>	10 points
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#### Section 7

<b>Integration of activities/consistency with community strategy and vision</b>	7 points
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Section 8

**Financing strategy** 12 points

Section 9

**History, track record and sustainable development** 20 points

Community Investment Plan total 100 points

**2. CSO Applicants**

CSO proposals will be evaluated on the extent to which responses address the following criteria. Maximum points that may be awarded for each element of the proposal are listed below. See Exhibit 3 for additional detail regarding content of the Elements.

Does Not Meet	=	no points
Minimally Meets	=	35% of points (rounded to nearest ½ point)
Clearly Meets	=	65% of points (rounded to nearest ½ point)
Strong Response	=	100% of points

Section 1

**Proposed Workplan** 25 points

Section 2

**Effectiveness of the proposed activities** 25 points

Section 3

**Feasibility of proposed activities** 25 points

Section 4

**Availability of staff expertise to accomplish the workplan** 25 points

Capacity Building Proposal total 100 points

- 3. Updated Board of Directors list** will be determined to be either updated or in need of updating.

**C. Allocation determinations**

Tax credit allocations will be awarded in varying amounts based on DHCD's determination of the quality of the submitted CIP and the track record of the CDC, or the strength of a CSO's capacity-building proposal. DHCD's allocation decisions will reflect the Department's determination that investment of tax credits in an organization is supported by the application materials submitted.

CDC and CSO applicants must receive at least fifty (50) percent of the available points to qualify for selection as a Community Partner and a \$50,000 minimum allocation of tax credits.

Allocation amounts greater than the minimum amount will generally be based on the range of scores received, such that:

- applications receiving at least 50 and up to 65 points may receive allocations of up to \$75,000,
- applications receiving at least 66 and up to 80 points may receive allocations of up to \$100,000,
- applications receiving at least 81 and up to 100 points may receive allocations of up to \$150,000;

Additional allocations of credit (up to the maximum of \$150,000) may also be awarded based upon the strength of particular Plan elements.

Multiple-year allocations will be based upon a determination by DHCD that the quality, and track record of a CDC, or the proposed capacity-building activities of a CSO, will be strengthened and enhanced by the assured availability of tax credits over time.

Applicants are reminded that DHCD's selection of Community Partners must be in compliance with the minimum location or service area requirements regarding Gateway municipalities and rural areas.

Board of Directors lists that require updating may result in delayed or reduced allocations.

#### **D. Application Submission Procedures**

All applications for selection as a Community Partner and an allocation of tax credits will be due January 10, 2014. They must be submitted by 3:00 PM on that date.

Applications should be submitted electronically as .pdf documents.

1. The completed application cover page (Exhibit 1) with the original signature in ink of the applicant's chief executive officer must be sent via U.S. mail or other delivery and postmarked by January 10, 2014. Cover pages should be sent to:

MA Department of Housing and Community Development  
Division of Community Services  
100 Cambridge Street, Suite 300  
Boston, MA 02114  
Attention: CITC Program

2. Applications should be emailed to: [mark.siegenthaler@state.ma.us](mailto:mark.siegenthaler@state.ma.us). Fax submissions will not be accepted.
3. It is the responsibility of the applicant to ensure that its application is received by DHCD.
4. CDC Applications must be typed in 12 point font and contain a maximum eighteen (18) page CIP, ten (10) pages of other attachments, adoption documentation, a rural set-aside statement (if applicable) and the Cover page.

CSO applications must be typed in 12 point font and contain a maximum eight (8) page Capacity Building Proposal, ten (10) pages of other attachments and the Cover page.

5. DHCD reserves the right to request additional information from applicants during the review process and to use other available information as may be necessary in order to complete its review.
6. It is anticipated that selection of Community Partners will be announced in February, 2014.
7. Applicants are encouraged to consult with DHCD's Community Development staff to discuss their proposals in advance of application submission. Please contact Mark Siegenthaler, Community Development Manager, at (617) 573-1426 or [mark.siegenthaler@state.ma.us](mailto:mark.siegenthaler@state.ma.us), if you have any questions.

#### **E. General**

DHCD reserves the right to use other available information regarding an applicant's history, experience and past performance as a DHCD grantee or borrower (as applicable) when evaluating applications, including whether the applicant has:

- Met prior workplan objectives in a timely and proper manner in accordance with an approved budget, and otherwise performed effectively,
- Complied with the Terms and Conditions of previous contracts,
- Conducted due diligence, closed loans and constructed projects in accordance with applicable requirements, and
- Maintained compliance with applicable programmatic and legal requirements for any required period of affordability.



## Cover Page

Massachusetts Department of Housing and Community Development  
2014  
Community Investment Tax Credit Program

## Community Partnership and Tax Credit Allocation Application

Applicant Organization

Name:	
Address:	

Amount of Credit Allocation Requested

2014 \$  
 2015 \$ (optional)  
 2016 \$ (optional)

Community Investment Plan (CIP) Adoption status

Adopted: / /

(Signature below attests that adoption has occurred; attach documentation)

Scheduled for adoption: / /

(Scheduled adoption and submission of documentation must be within 30 days of application)

Name and Title:	
Signature:	

Set-Aside Applicants

<input type="checkbox"/>	Application for selection as a Community Partner serving a Gateway Municipality
<input type="checkbox"/>	Application for selection as a Community Partner serving a Rural Area (attach documentation)

## Massachusetts Department of Housing and Community Development Community Investment Tax Credit Program CDC Community Investment Plan (CIP)

A complete CIP must address each of the following nine (9) elements. The Plan may reference other documents and summarize their content but must present complete responses to the required information indicated in the Section descriptions. The adopted Plan may not exceed eighteen (18) pages, not including the Cover page.

### Section 1

#### **Community or Constituency(ies) to be served by the organization**

This section must clearly identify the neighborhoods, towns and/or cities to be served including population, demographics and geographic characteristics and/or identify the particular constituency(ies) to be served – population, demographics and geographic characteristics.

### Section 2

#### **Involvement of community residents and stakeholders**

This section must provide a description and evidence of resident and stakeholder engagement in the organization. Describe the degree to which residents and stakeholders were engaged in the development of the Plan. Include examples of engagement activities, numbers of events, participation figures, and other quantified measures.

Describe the role residents and stakeholders have in monitoring and implementing Plan activities. Include examples of current and projected roles to be played, number and type of opportunities for involvement and the mechanisms for monitoring progress.

### Section 3

#### **Plan goals**

This section must clearly identify the goals of the CIP. It must identify how low and moderate income households and other constituencies will benefit from achieving the goals, and identify how the entire community will benefit from achieving the goals

### Section 4

#### **Activities to be undertaken**

This section must clearly describe the activities to be undertaken under the Plan including community development activities consistent with the Program definition of community development activities (see Submission Content, Section II.). The materials must clearly identify the expected impact the activities will have on the identified goals and the community/constituency(ies) to be served.

## Section 5

### **How success will be measured and/or evaluated**

This section must describe the tools and methodologies to be used to measure the impact/outcomes associated with undertaking the goals, programs, policies and activities in the Plan. Identify the evaluation process, the participants in the process and the role(s) they will play.

## Section 6

### **Collaborative efforts to support implementation**

This section must identify existing and proposed collaborative relationships with other stakeholders, such as nonprofits, businesses, state and municipal government. Identify known collaborators when possible. Clearly identify the role of existing and proposed collaborations in supporting implementation of the Plan including the financing strategy, as applicable.

## Section 7

### **Integration of activities/consistency with community strategy and vision**

This section must describe the interaction and interrelationship of Plan activities to be undertaken, including how the Plan fits into a larger vision or strategy for the entire community. It must describe how the Plan is consistent with other specific neighborhood, community or regional plans.

## Section 8

### **Financing strategy**

This section must describe how the CDC will finance implementation of the Plan's activities. It must demonstrate an understanding of the availability of financing sources and their applicability to implementation of the Plan. It must describe the CDC's past experience in using the proposed financing sources.

The Section should identify the level of commitment of other funding sources to implement the Plan including capacity and strategies related to donations that result from available investment tax credits.

## Section 9

### **History, Track Record and Sustainable Development**

This section must address two additional topics. It must provide a record or listing of examples demonstrating the CDC's history and track record of past practices and approaches to the financing and implementation of proposed activities in the Plan. It must also provide narrative and examples of the Plan's consistency with the Commonwealth's Sustainable Development Principles (see Exhibit 5).

## Massachusetts Department of Housing and Community Development Community Investment Tax Credit Program CSO Capacity Building Proposal

A complete Capacity Building proposal must address each of the following four (4) elements. The Proposal may reference other documents and summarize their content but must present complete responses to the required information indicated in the Section descriptions. The Proposal may not exceed eight (8) pages, not including the Cover page.

### Section 1

#### **Proposed Workplan**

This section must identify the existing and proposed range of services available to assist CDCs. Describe the applicability of the services to the needs of CDCs. Identify a typical services schedule during which the CSO will provide services.

### Section 2

#### **Effectiveness of the proposed activities**

This section must provide evidence that the proposed activities will result in increased CDC capacity to plan and implement community development activities and attract donors. Provide evidence that the proposed capacity-building activities have proven effective for past recipients.

### Section 3

#### **Feasibility of proposed activities**

This section must describe how activities will be accomplished within the proposed timeframe. Provide justification for a determination that the proposed costs are reasonable and that the organization has funding and resources sufficient to perform the proposed tasks and activities.

### Section 4

#### **Availability of staff and/or expertise to accomplish the workplan**

This section must provide documentation that the CSO has sufficient staffing, with the required skills, knowledge and experience to provide capacity-building services, and/or the management ability and demonstrated experience to oversee consultants to accomplish the proposed tasks.

## Massachusetts Gateway Municipalities

M.G.L. c. 23A section 3A, a Gateway City is defined as a municipality with:

- Population greater than 35,000 and less than 250,000
- Median household income below the state average
- Rate of educational attainment of a bachelor's degree or above that is below the state average.

The following are Massachusetts Gateway Municipalities:

Attleboro	Holyoke	Pittsfield
Barnstable	Lawrence	Quincy
Brockton	Leominster	Revere
Chelsea	Lowell	Salem
Chicopee	Lynn	Springfield
Everett	Malden	Taunton
Fall River	Methuen	Westfield
Fitchburg	New Bedford	Worcester
Haverhill	Peabody	

## Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

### 1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

### 2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

### 3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

### 4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

### 5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

### 6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

## **7. Provide Transportation Choice**

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

## **8. Increase Job and Business Opportunities**

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

## **9. Promote Clean Energy**

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

## **10. Plan Regionally**

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.